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NOMINATIONS OF GARY C. BYRNE AND LA VERNE G. AUSMAN

HEARINGS

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

ON

THE NOMINATIONS OF GARY C. BYRNE, OF CALIFORNIA, TO BE ADMINISTRATOR OF THE RURAL ELECTRIFICATION ADMINISTRATION AND AND LA VERNE G. AUSMAN, OF WISCONSIN, TO BE ADMINISTRATOR OF THE FARMERS HOME ADMINISTRATION

FEBRUARY 28, 1990

Printed for the use of the
Committee on Agriculture, Nutrition, and Forestry

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NOMINATION OF GARY C. BYRNE, OF CALIFORNIA, TO BE ADMINISTRATOR OF THE RURAL ELECTRIFICATION ADMINISTRATION OF THE U.S. DEPARTMENT OF AGRICULTURE

WEDNESDAY, FEBRUARY 28, 1990

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m., in room SR-332, Russell Senate Office Building, Hon. Howell Heflin (acting chairman of the committee) presiding.

Present or submitting a statement: Senator Heflin.

STATEMENT OF HON. HOWELL HEFLIN, A U.S. SENATOR FROM ALABAMA

Senator HEFLIN. If you will come on up, Mr. Byrne, you will be the only one here, which is not unusual for hearings in any committee, regardless of whether it be Agriculture.

If you would stand, then, let me give you the oath.

[Witness sworn.]

Senator HEFLIN. Have a seat.

On May 11, 1935, President Franklin Roosevelt signed an Executive order creating the Rural Electrification Administration to bring electricity to rural America. The electrification of our Nation's rural areas is perhaps the most overlooked factor contributing to this country's social and economic progress. The economic achievements of this tiny Government agency's partnership has been one of the most successful ever devised.

Certainly no other government program has the record of accomplishment of Rural Electrification. Today some 1,000 rural electric co-ops serve more than 25 million people, businesses, and industries in rural America. These organizations own and maintain about half of our Nation's power lines, although they provide power to only 10 percent of the Nation's population.

In my own State, REA electric and telephone cooperatives provide necessary service to 60 of Alabama's 67 counties. The need for the REA is no different today than it was when the program was created. The Rural Electrification program is still needed to improve the productivity and the quality of life in America by ensuring that all rural people have access to an adequate and reliable supply of electrical energy at a cost reasonably comparable to that paid by residents in urban areas.

The decade of the 1980's has been a tough one for our rural co-ops. The previous administration tried again and again to abolish the REA program. It is my sincere hope that this administration will take a new direction. The REA program has meant the difference between sustained growth and mere subsistence for many of our Nation's rural communities. In short, the REA program, through the rural cooperatives, has done a tremendous job with limited resources and they are here to stay.

There may be other opening statements by Senators that will be submitted for the record, and if so, the record will stay open for them to be submitted for a reasonable period of time.

Mr. Byrne, we are delighted to see you here. Do you have any opening statement that you would like to make before we start your hearing?

Mr. BYRNE. Yes, I do, Mr. Chairman.

TESTIMONY OF GARY C. BYRNE, OF CALIFORNIA, TO BE ADMINISTRATOR OF THE RURAL ELECTRIFICATION ADMINISTRATION OF THE U.S. DEPARTMENT OF AGRICULTURE

Mr. BYRNE. Mr. Chairman and distinguished members of the committee it is a great honor to appear before you today as President Bush's nominee to serve as Administrator of the Rural Electrification Administration. It is a pleasure to have my wife, Norma, and my oldest son, Silas, a sophomore at Bowdoin College in Brunswick, Maine, here with me today. If confirmed, it will be my privilege to serve under Secretary of Agriculture, Clayton Yeutter. I would also look forward to working with the members of this committee and their staff.

As outlined in the background material we forwarded to the committee, I come before you following 10 years in the banking industry, where I served as chairman, president, or CEO of several organizations.

I look forward to the challenge of administering the REA and take this commitment seriously. I intend to perform the duties as effectively and responsibly as possible. In addition, I anticipate maintaining the high ethical standards inherent in this position of public trust.

Mr. Chairman, it is my intent to remain readily accessible and to maintain open communications so any concerns that arise may be rapidly addressed.

I am truly pleased and honored to be here today, and I would be happy to try to answer any questions you might have.

Senator HEFLIN. Thank you. There are certain required questions that have to be asked at each hearing.

The first is, if you are confirmed by the Senate, will you faithfully execute the laws passed by Congress, regardless of any prior statements you have made or biases that you may have had?

Mr. BYRNE. Yes, I will.

Senator HEFLIN. If your nomination is approved by the committee and the Senate, do you promise to respond to requests to appear and testify before this committee or any other duly constituted committee of the United States Senate?

Mr. BYRNE. Yes, I do.

Senator HEFLIN. All right, sir. In regard to the REA, do you believe in the philosophy of the Rural Electrification program?

Mr. BYRNE. Yes, I do.

Senator HEFLIN. Do you think that the Rural Electrification program has been a success?

Mr. BYRNE. Yes, very much so.

Senator HEFLIN. I believe in my discussions with you, you have had some experience in your family with farm life and Rural Electrification activities.

Mr. BYRNE. Yes.

Senator HEFLIN. Would you explain that?

Mr. BYRNE. Yes. My father was a farm worker and my mother grew up in a farm family, and so I grew up in a small community with a very strong background in the traditional values of both agriculture and a small community. I do feel very strongly about that.

In the banking business, much of our lending was agricultural lending, and so I have been very familiar with that for the last several years.

Senator HEFLIN. Mr. Byrne, as a banker and a financial officer, you are certainly aware of the difficulties that many of the REA program's borrowers have in obtaining commercial loans, regardless of whether or not they are secured through either partial or even full guarantees. Many of these companies are making excellent progress and are doing an outstanding job of serving their territories, yet on paper to commercial institutions they appear at risk.

If we were to travel down the guarantee road, how would you propose that we encourage commercial lenders to come to the aid of rural utilities?

Mr. BYRNE. I think with a guarantee of a Government agency what you have done is, you have essentially informed the bank that you are going to make them whole regardless of what happens to their direct borrower, and that should make any financial institution secure, knowing that they have the full faith and credit of the Government behind them.

Senator HEFLIN. Well, they don't seem to always want to lend, even with that. I don't know whether there is any other encouragement or any other affirmative activity that should be taken, but we still get complaints from telephone companies and some of the other rural utilities that they can't get much support from their lending institutions.

Will you give some thought as to what might could be done to try to encourage this or ease this problem?

Mr. BYRNE. I sure would. In fact, I would be very glad to talk to you at some stage about that, and I would be glad to talk to the bankers and find out where they are coming from. It is an anomalous situation to me. It is hard for me to imagine a banker not wanting to make a loan that is guaranteed by a Government agency, so there is something there, and certainly I will be glad to follow up on that with you.

Senator HEFLIN. A necessary agreement for rural communities to grow and prosper are competitive electric rates. Many of the generation and transmission cooperatives that supply bulk power for

distribution continue to be locked into high interest rates. These G&T's, like the Alabama Electric Cooperative in my State of Alabama, have a tremendous need to lower their interest costs for the benefit of the rural consumers which they serve. To that end, these G&T's need to be afforded the opportunity to repay their Federal financing bank debt on reasonable terms.

Mr. Byrne, I know these issues are new to you, but I hope you will work with the Nation's rural electric cooperatives to achieve this goal of prepaying high interest rate FFB loans. I look forward to working with you on these type of loans. Do you have any thoughts that you might want to give us relative to this issue?

Mr. BYRNE. I think it is a tricky issue. I am sympathetic with any borrower who is stuck with a long-term high interest loan in a period of low interest rates, and at the same time I am cognizant of the costs that the Government incurs when it allows the prepayment of those. I would be glad to talk to you about it.

I think perhaps there are situations on a one-by-one or a case-by-case basis where we can talk about that, and I know that in 1987 and 1988 they were allowed to prepay without a penalty. That is certainly something I would be glad to talk with you about, and I do think it is a difficult question.

Senator HEFLIN. Last December the REA—the Rural Electrification Administration—determined that Hardwick Electric Department of Hardwick, Vermont was eligible to borrow from REA. Hardwick serves a very rural area in four of the lowest income counties in Vermont. REA funding will make it possible for Hardwick to extend electric service to unserved persons and to substantially improve the quality of its service to all of the families in the area.

Will you provide the committee with an update on the status of the Hardwick application, including an estimate of when you think the application will be completed? Also, will you advise the committee of the steps REA will take to accelerate the process, and can you give the committee an assurance that as administrator you will approve a loan to Hardwick once all of the forms have been properly completed?

This is being asked on behalf of the chairman.

Mr. BYRNE. I would be glad to get back to you on that. Obviously I will have to talk to people at REA about that.[1]

Senator HEFLIN. All right. Rural electric co-ops have a major presence in rural America. Many feel they can play a significant role in helping rural communities by providing financing to small rural communities for drinking water and waste facility purposes. What are your views on this issue?

Mr. BYRNE. I feel very strongly about rural development, and I think the most appropriate mechanism for rural development is through the REC's, the rural electrical cooperatives. I would plan to work very closely with them in trying to figure out more effective ways to promote rural development through the REC's. I know REA is involved to a certain extent in rural development right now, but I really believe that the organizations that are the closest

[1] See page 29 for the response.

to the issues and the ones that probably have the greatest ability to make an impact are the REC's themselves.

Senator HEFLIN. Rural electric cooperatives have the legal authority already to invest up to 15 percent of their total utility plants to help rural America. If you become Administrator, will you provide advice and guidance to electric borrowers concerning the effective and prudent use of that authority?

Mr. BYRNE. Yes, that is something I would look forward to doing.

Senator HEFLIN. If you become Administrator, will you agree to require REA to provide advice, troubleshooting and guidance concerning the operation of programs or systems that receive assistance from REA?

Mr. BYRNE. I think that is an issue, I am not sure I can make a commitment at this stage. I would have to find out exactly what the agency is doing at this time, and I would certainly be glad to get back to you on that, to find out exactly what the agency is doing now and how best we could implement that suggestion.

Senator HEFLIN. If you become Administrator, will you promote coordination between REA borrowers and community organizations, States, counties, and nonprofit private organizations to improve rural development?

Mr. BYRNE. Yes.

Senator HEFLIN. Do you have any plans to reorganize REA?

Mr. BYRNE. No.

Senator HEFLIN. Mr. Byrne, for the past 2 years we have been trying to urge REA to set up a small group of rural economic development professionals within REA. In 1988 41 Senators joined me in sending a letter to then-Secretary Lyng asking REA to take this important and practical step. The Appropriations Committees have also agreed with me on this and have included language encouraging or requiring REA to get more involved in development.

Mr. Byrne, I am in favor of REA getting more involved in rural economic development because I know how the REA system works.

Rural electric cooperatives exist throughout our rural communities, and they can be increasingly major contributors to local development efforts.

REA is the major banker to the rural electric cooperatives, and provides leadership and technical assistance. If REA is in favor of and involved in development, the local REA system boards will be more inclined to get involved, and with REA technical assistance their involvement will be more effective.

We need to find creative ways of using existing institutions in new ways because we just simply do not have the funds to be creating a lot of new programs. We need to do a better job of leveraging what we already have.

A small REA technical assistance unit in this development area would result in a lot of development activity in rural America. This is simply common sense, a good government idea, and I have been disappointed that the previous administration didn't take to this idea and implement it. Can you assure us that you will give this concept a thorough review and get back to me on this soon after you start in the Administrator's position?

Mr. BYRNE. Yes, I will.

Senator HEFLIN. All right, sir. Mr. Byrne, there are a couple of matters that I feel that, just to clear the record, we ought to go into.

We have today some people that express fears of government by astrology, and in your past there have been some people that felt that you were a great follower of astrology. Would you like to comment on this?

Mr. BYRNE. Yes, I would be glad to comment. I have never been a follower of astrology. My wife is an astrologer, but I personally have never been a follower of astrology, have never made decisions based on astrology, and I have no idea where that came from but it is not accurate.

Senator HEFLIN. All right, sir. I believe your background is that you have sort of a varied background. You have a Ph.D. in political science, I believe from the University of North Carolina, so you have a varied background and you bring from farm to the study of political science to banking, all of these elements of experience with you, and with the philosophy that REA has done a good job and it should be here to stay. We wish you the best of luck in this position and want to work with you every way we possibly can for the improvement of the rural communities throughout America.

There may be some written questions that might be submitted to you by some other Senators, but as far as I know that will conclude our hearing, unless you have something else you want to say.

Mr. BYRNE. No. Thank you very much.

Senator HEFLIN. Thank you.

[Whereupon, at 10 a.m., the committee recessed, to reconvene at 3:50 p.m., Wednesday, February 28, 1990, in room SR-332, Russell Senate Office Building.]

[Material submitted for inclusion in the record follows:]

BIOGRAPHICAL INFORMATION

1. Full name (include any former names used).

   Gary Cecil Byrne

2. Address: List current place of residence and office addresses(es). List all office and home telephone numbers where you may be reached.

   4289 Alton Court
   Sacramento, California 95864
   Telephone No. 916-482-1810

3. Date and place of birth.

   May 1, 1942
   Upland, California

4. Marital Status. (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

   Married: Norma Elaine Elliott.
   Her occupation: astrological counseling.
   Her employer: self.
   Business address: 1581 University Avenue
   Sacramento, California 95825

5. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

   University of Redlands, Redlands, California. Attended 1960-1965. BA, 1965.
   Goethe Institut, Bad Reichenhall, West Germany. Attended June-November, 1965.
   University of Bonn, West Germany. Attended November 1965-July 1966.
   University of North Carolina, Chapel Hill, NC. Attended 1966-1969. Ph.D., 1969.
   University of Montpellier, France. June-August, 1968.

6. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

1969-1973, San Diego State University, Associate Professor. Taught classes in American Government and political behavior and directed the Ivan Kubanis Political Research Center.

1973-1974, Arthur Young & Company, Associate/Management Services, in the Washington, DC office. Provided research design and analysis services for a variety of projects, including the National Health Service Corps in rural areas, emergency medical services, and health planning.

1974-1975, The Orkand Corporation, Silver Spring, Maryland, Vice President. Co-directed the health services consulting division.

1975-1977, Miller & Byrne, Inc., Washington, DC and Rockville, Maryland, Partner/Director. Co-founded and co-managed this health care consulting firm.

1977-1986, H.C. Elliott, Inc., Sacramento, California, Vice President and Director. Managed the project development, commercial building, and mobile home park divisions of this multi-state homebuilder and commercial developer.

1979-1989, Meridian National Bank, Concord, California. Chairman of the Board.

1984-1985, Harden & Company Insurance Services, Inc., Walnut Creek, California. Chairman of the Board.

1983-1986, Sutter Community Hospitals and Sutter Health Systems, Sacramento, California. Trustee and chairman, finance committee.

1983-1985, Meridian Bancorp, Concord, California. Chairman of the Board.

1983-present, University of Redlands, Redlands, California. Trustee and Second Vice Chairman.

1985-1989, Alex Brown Financial Group, Sacramento, California. Chairman/CEO/President.

1985-1989, Bank of Alex Brown, Sacramento, California. Chairman; 1987-1989, President and CEO.

1985-1989, Alex Brown Development Corporation, Sacramento, California. Chairman/CEO/President.

1987-1988, River City Money Management Company, Sacramento, California. Director.

1987-1989, Physicians Clinical Laboratories, Inc., Sacramento, California. Director.

7. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

No.

8. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

1967, U.S. Department of State, Washington, DC. Summer Intern, Office of German Affairs. Appointed.

1969-1973, San Diego State University, State of California, Associate Professor. Appointed.

9. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

Haynes Foundation Scholarship.
Rotary International Fellowship.
National Science Foundation Grantee.
National Institutes of Mental Health Grantee.
Who's Who in the South and Southwest.
Who's Who in the West.
Who's Who in California.
American Men and Women of Science.
Men of Achievement.
International Dictionary of Biography.
International Directory of Distinguished Leadership.
Who's Who in U.S. Executives.

10. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Golden Empire Council, Boy Scouts of America, Board of Directors.
Sutter Club.
California State Senate Commission on Corporate Governance, Shareholder Rights, and Securities Transactions.

11. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal

editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

"Mass Media and Political Socialization of Children and Pre-Adults," Journalism Quarterly, April, 1969.

"The Effects of Norms, Alternatives and Power on the Distribution of Rewards in two person Bargaining: Experimental Analogs to Organizational Behavior," Meeting of the Midwest Political Science Association, Spring 1969, with R. M. DeVoursney.

"Cognitive Inconsistency and Student Protest Behavior, Part I," Summation, Vol. 2, No. 1, March 1970.

"Cognitive Inconsistency and Student Protest Behavior, Part II," Summation, Vol. 2, No. 2, December 1970.

"Technology, Education, and Social Class in East Germany," University of Redlands Magazine, December 1971, with N. Byrne.

Politics in Western European Democracies, John Wiley & Sons, 1971, Edited with Kenneth Pedersen.

Citizens and Politics: Voter Attitudes in San Diego, Institute of Public and Urban Affairs, California State University, San Diego, September 1972, with J. K. Pueschel.

"A Financial Information System for Community Health Planning," ORSA/Tims Annual Meeting, April 1974, with Henry Miller.

"But who do I vote for for County Coroner," Journal of Politics, Summer 1974, with J. K. Pueschel.

"Patient Outcome Measurement for Emergency Medical Services: A Heuristic Overview," Meeting of the American Public Health Association, Fall 1975, with C. English, S. Wilhaus, L. P. Robinson, and D. Frome.

The Great American Convention: A Political History of Presidential Elections, Pacific Books, 1976, with Paul Marx.

*The publications listed above have all been written and published over the past 20 years. As a consequence of the passage of time, I do not have copies of all published materials. I have included copies of all materials that I have available. I would appreciate receiving these materials back if possible, since they are the only copies I possess.

Another proposed book, The Psychology of Youthful Dissent, was accepted for publication, but by the time the editorial corrections were complete, I felt the subject matter was out of date, and did not proceed with final publication.

12. Health: What is the present state of your health?

Excellent.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations:

   Yes, with the exception of the University of Redlands, where I have been a trustee since 1983. To the best of my knowledge, the University has no relationships with the Department of Agriculture.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleted contracts and other future benefits which you expect to derive from previous business relationships, professional service,s firm memberships, former employers, clients, or customers.

   None.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   No.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

   No.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Farmers Home Administration? (If yes, give details of any such loan activity during the past five years.)

   No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance

program? (If yes, give details.)

No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

No, with the exception of remaining a non-compensated trustee of the University of Redlands.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

No.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

None.

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

No, I have never received a government guaranteed student loan.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

I am not aware of any potential conflicts of issue. If one should arise, I would anticipate disposing of the interest creating the conflict.

United States
Office of Government Ethics
Suite 500, 1201 New York Avenue, N.W.
Washington, D.C. 20005-3919

FEB 5 1990

The Honorable Patrick J. Leahy
Chairman
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Gary C. Byrne, who has been nominated by President Bush to serve as Administrator of the Rural Electrification Administration in the Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture's ethics official concerning any possible conflict in light of the Rural Electrification Administration's function and the nominee's proposed duties. Based thereon, we believe that Mr. Byrne will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Donald E. Campbell

Donald E. Campbell
Acting Director

Enclosure

Financial Disclosure Report

Form Approved OMB No. 3209-0006

Reporting Status (Check Appropriate Box)			Agency Use Only	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
☐ Incumbent	☒ New Entrant, Nominee, or Candidate	☐ Termination Filer		JAN 26 1990	1/23/90.	

	Last Name	First Name and Middle Initial
Reporting Individual's Name	Byrne	Gary, C
Position for Which Filing	Title of Position: Administrator, Rural Electrification Admin.	Department or Agency (If Applicable): Department of Agriculture
Location of Present Office	Address (Number, Street, City, State and ZIP Code): 4289 Alton Court, Sacramento, CA 95864	Telephone No. (Include Area Code): 916-482-1810
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: none	

	Name of Congressional Committee Considering Nomination	Do You Intend to Create a Qualified Diversified Trust?
Presidential Nominees Subject to Senate Confirmation		☐ Yes ☒ No

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Gary C. Byrne	11-30-89
Other Review (If desired by agency)	Signature of Other Reviewer	Date (Month, Day, Year)
Agency Ethics Official's Opinion	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year)
The information contained in this report discloses no conflict of interest under applicable laws and regulations.	William J. Riley Jr.	1/25/90
Office of Government Ethics Use Only 2/2/90	Signature: Donald E. Campbell	Date (Month, Day, Year): 2/5/90

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A, C, and D. (Candidates do not file Part II of Schedule D.)

- **Schedule A**—The reporting period for income (BLOCK C) and Transactions Test (BLOCK D) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I (Liabilities)**—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II (Agreements and Arrangements)**—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

NOTE: After telephone conversation with Mr. Byrne on 1/16/90, changes were made in the following entries—
-- Page 3, Line 4, Item #14, salary amount changed to read "$385,891";
-- Page 3, Line 5, Item #15, word "FEES" entered;
-- Page 7, Line 3, Item #53, "$1,726" entered in Actual Amount column; and
-- Page 13, Line for Physician's Clinical Laboratory, date "10/89" entered in last column.

As per telephone conversation with Michael Kelly of OGE on 2/2/90, Mr. Byrne has terminated his participation in the profit-sharing plan and 401(K) plan listed as items 20 and 21 in Schedule A. He received close-out check in amount of $57,452.98 on June 27, 1990. M Kelly OGE

☐ (Check box if comments are continued on the reverse side)

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Form Approved
OMB No. 3209-0042

Reporting Individual's Name	Assets and Income	Page Number	2	Schedule A
Gary C. Byrne				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets							BLOCK C Income																	BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐		Category of Value (X)							Type of Income (X)							Category of Amount of Income (X)									Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	If yes, complete Items A Part I for those assets producing those rated for a item.	
		None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000			YES	NO
S or DC	Example: XYZ Common			X					X									X									X	
	Example: Doe Jones & Smith, Hometown, USA		X												partnership income									$90,000			
1	See Item 1 on Addendum						XX				XX									XX							
2	See Item 2 on Addendum							XX			XX											XX					
3	See Item 3 on Addendum				XX						XX								XX								
4	See Item 4 on Addendum							XX			XX												XX				
5	See Item 5 on Addendum							XX			XX											XX					
6	See Item 6 on Addendum							XX			XX										XX						
7	See Item 7 on Addendum							XX			XX										XX						
8	See Item 8 on Addendum							XX			XX								XX								
9	See Item 9 on Addendum					XX					XX									XX							
10 DC	See Item 10 on Addendum						XX		XX											XX							

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370-200

Gary C. Byrne | **Assets and Income** | Page Number 3 | Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income																		BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)												If yes, complete Schd. D Part I for those assets including those sold for a loss.	
S or DC		None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Exempted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
	Examples: X Y Z Common			X				X																					
	Doe Jones & Smith, Hometown, USA		X											partnership income			X						$60,000		X	
1 S	See Item 11 on Addendum						XX		XX													XX						
2	See Item 12 on Addendum		XX												XX														
3	See Item 13 on Addendum			XX				XX							XX														
4	See Item 14 on Addendum													SALARY									$385,891						
5 S	See Item 15 on Addendum	XX												FEES															
6	See Item 16 on Addendum	XX									XX											XX							
7 DC	See Item 17 on Addendum	XX									XX											XX							
8 DC	See Item 18 on Addendum					XX		XX													XX							
9	See Item 19 on Addendum					XX									XX														
10	See Item 20 on Addendum				XX										XX														

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870-200

Reporting Individual's Name: Gary C. Byrne

Assets and Income

Page Number: 4 | Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A: Assets & Income Sources (Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐)	BLOCK B: Valuation of Assets — Category of Value (X)								BLOCK C: Income — Type of Income (X)						BLOCK C: Income — Category of Amount of Income (X)									BLOCK C: Income	BLOCK D: Transactions Test	
S or DC / Example:	None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only If "Other" Specified	Date (Mo., Day, Yr.) Only If Honoraria	If yes, complete Detail B Part I for those assets indicating those sold for a loss. YES	NO
Example: XYZ Common — Doe Jones & Smith, Hometown, USA		X	X				X									X								X	
1 See Item 21 on Addendum				XX									partnership income									$50,000			
2 See Item 22 on Addendum			XX											XX											
3 See Item 23 on Addendum		XX							XX					XX											
4 See Item 24 on Addendum		XX					XX								XX										
5 DC See Item 25 on Addendum						XX			XX					XX											
6 DC See Item 26 on Addendum				XX					XX									XX							
7 See Item 27 on Addendum				XX					XX								XX								
8 See Item 28 on Addendum		XX							XX							XX									
9 S See Item 29 on Addendum	XX								XX						XX										
10 DC See Item 30 on Addendum					XX				XX					XX				XX							

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FPS-200

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number	5	Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets								BLOCK C Income															BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐		Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)									If yes, complete Schd. D Part I for those assets including those sold for a loss.	
		None (or less than $1001)	$1,001-$8,000	$8,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
S or DC	Example: X Y Z Common			X					X						ptnrshp income			X						$90,000		X	
	Example: Doe Jones & Smith, Hometown, USA			X							XX									XX							
1	See Item 31 on Addendum					XX					XX									XX							
2	See Item 32 on Addendum					XX					XX									XX							
3	See Item 33 on Addendum					XX					XX									XX							
4	See Item 34 on Addendum						XX				XX									XX							
5	See Item 35 on Addendum						XX				XX									XX							
6	See Item 36 on Addendum						XX				XX									XX							
7	See Item 37 on Addendum						XX				XX									XX							
8	See Item 38 on Addendum						XX				XX									XX							
9	See Item 39 on Addendum						XX				XX									XX							
10	See Item 40 on Addendum						XX				XX									XX							

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Form Approved
OMB No. 3209-0006

Reporting Individual's Name	Assets and Income	Page Number	6	Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources			BLOCK B Valuation of Assets							BLOCK C Income																BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐			Category of Value (X)							Type of Income (X)							Category of Amount of Income (X)										If yes, complete Sched. B Part I for these assets including those sold for a loss.	
			None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only If "Other" Specified	Date (Mo., Day, Yr.) Only If Honoraria	YES	NO
S or DC	Exemples:	X Y Z Common			X				X								X									X	
		Doe Jones & Smith, Hometown, USA			X										ptnrshp income								$60,000			
1	See Item 41 on Addendum						XX				XX									XX							
2	See Item 42 on Addendum							XX			XX									XX							
3	See Item 43 on Addendum								XX		XX										XX						
4	See Item 44 on Addendum							XX			XX									XX							
5	See Item 45 on Addendum						XX				XX									XX							
6	See Item 46 on Addendum						XX				XX									XX							
7	See Item 47 on Addendum							XX	XX												XX						
8	See Item 48 on Addendum						XX				XX									XX							
9	See Item 49 on Addendum						XX				XX									XX							
10	See Item 50 on Addendum						XX				XX									XX							

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279-390

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number	7	Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets								BLOCK C Income														BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐		Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)									If yes, complete Schd. D Part I for those assets including those sold for a loss.	
		None (or less than $1001)	$1,001-$2,500	$2,501-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only If "Other" Specified	Date (Mo., Day, Yr.) Only If Honoraria	YES	NO
S or DC	Example: X Y Z Common				X					X									X								X	
	Example: Doe Jones & Smith, Hometown, USA			X												partnership income									$90,000			
1	See Item 51 on Addendum				XX						XX								XX									
2	See Item 52 on Addendum		XX										XX					XX										
3	See Item 53 on Addendum			XX												partnership income									$1,726			
4																												
5																												
6																												
7																												
8																												
9																												
10																												

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375-200

of Form SF278, Executive Personnel Financial Disclosure Report
for Gary C. Byrne

Item	Description
1.	Bank Accounts Bank of Alex Brown 1425 River Park Drive Sacramento, CA 95815
2.	Bank Accounts Bank of America San Francisco, CA
3.	Gibralter Savings 4300 Arden Way Sacramento, CA
4.	U.S. Treasury Securities
5.	Government National Mortgage Association Various Issues
6.	Prudential Bache California Municipal Fund 1601 Response Road, Suite 100 Sacramento, CA 95825
7.	H.C. Elliott, Inc. Note Receivable 11093 Sun Center Drive, Suite B Rancho Cordova, CA
8.	Webster Cash Reserve Fund Kidder, Peabody & Co. 1610 Arden Way, Suite 200 Sacramento, CA 95815
9.	Third Deed of Trust Zane MacGregor & Co. 724 Oak Grove Avenue, Suite 110 Menlo Park, CA 94025
10.	SIFE Mutual Fund Walnut Creek, CA
11.	Real Property One quarter Undivided Interest in Shopping Center at 5801 Calle Real, Goleta, CA
12.	Adac Laboratories Common Stock Los Angeles, CA
13.	Medical Imaging Inc. Common Stock Atlanta, Georgia
14.	Bank of Alex Brown 1425 River Park Drive Sacramento, CA 95815
15.	Self-employed, Astrology Counseling 1581 University Avenue Sacramento, CA 95825
16.	Bank of Alex Brown Common Stock 1425 River Park Drive Sacramento, CA 95815
17.	Bank of Alex Brown Common Stock 1425 River Park Drive Sacramento, CA 95815
18.	Common Stock H.C. Elliot Financial, Inc. 11093 Sun Center Drive Rancho Cordova, CA
19.	Real Property 1581 University Avenue Sacramento, CA Used in spouse's self-employed business
20.	Bank of Alex Brown Profit-sharing plan * 1425 River Park Drive Sacramento, CA 95815
21.	Bank of Alex Brown 401K plan * 1425 River Park Drive Sacramento, CA 95815
22.	IRA Account at Shearson Lehman Hutton International City Bank, N.A. Long Beach, CA Common Stock
23.	Harry & Linda Wright, Trustees Byrne Family Trust Bank of Alex Brown Bank Accounts

* terminated. See note pg 1.

Item	Description
24.	Common Stock (OTC) SCI Systems
25.	Gary L. Odom, Trustee Various trusts for benefit of dependent children All invested in Bank of America Bank Accounts
26.	Bank of Alex Brown 1425 River Park Drive Sacramento, CA 95815 Bank Accounts
27.	IRA Account at Shearson Lehman Hutton 1 Sansome Street San Francisco, CA 94104 In cash account
28.	IRA Account at Bank of Alex Brown 1425 River Park Drive Sacramento, CA 95818
29.	IRA Account at Bank of Alex Brown 1425 River Park Drive Sacramento, CA 95818
30.	2nd Deed of Trust at IMA Commercial Properties 260 California Street, Suite 700 San Francisco, CA 94111
31.	Metropolitan Water District of Southern California Bonds due 6/1/2022
32.	East Bay California Regional Park District Bonds due 9/1/2011
33.	Pleasanton California Unified School District Bonds due 8/1/2012
34.	California State General Obligation Bonds due 4/1/2016
35.	Port of Oakland California Revenue Bonds due 11/1/2016
36.	Redlands California Redevelopment Agency Parking Revenue Bonds due 6/1/2017
37.	Anaheim California Parking Facility Certificates of Participation Bonds due 8/1/2019
38.	University of California Parking System Revenue Series B Bonds, San Diego Campus Due 9/1/2019
39.	California Health Financing Authority Revenue Bonds of Kaiser Permanente Series A due 10/1/2008
40.	Los Angeles California Department of Airports Revenue Bonds due 5/1/2010
41.	East Bay California Municipal Utility District (water & sewer only) No. 1 Series D, Unlimited Tax Bonds due 4/1/2016
42.	California Educational Facilities Authority, Revenue Bonds for the University of Southern California Series A
43.	California Educational Facilities Authority, Revenue Bonds for Stanford University Series I Due 1/1/2019
44.	California Health Facilities Authority, Stanford University Hospital Bonds Series C due 11/1/2010
45.	California State Housing Finance Agency Home Mortgage Revenue Bonds Series 89C due 8/1/2017
46.	Culver City California Redevelopment Finance Revenue Series A Bonds due 11/1/2010
47.	CMA Government Securities Fund c/o Merrill Lynch & Co. 1435 River Park Drive Sacramento, CA 95815

Item	Description
48.	San Diego California Unified School District Certificates of Participation Bonds due 7/1/2003
49.	California State Franchise Tax Board Certificates of Participation Bonds due 10/1/2006
50.	California State General Obligation Bonds due 5/1/2007
51.	Limited Partnership Interest McKinley Properties, Ltd. P.O. Box 623 Alta Loma, CA 91701
52.	Limited Partnership Interest Tortolita One 2555 N. Campbell Avenue Tucson, Arizona 85719
53.	Limited Partnership Interest Rancho Cordova Child Care Facility 1651 Response Road #101 Sacramento, CA 95815

Reporting Individual's Name

Gary C. Byrne

Page Number	11	Schedule B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE ☐

S or DC	Identification of Assets	Type of Transaction (X)				Amount of Transaction (X)					
		Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
Exam-ple	X Y Z Common	X			2/1/83			X			
1	Nominee -- Not applicable										
2											
3											
4											
5											
6											

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only: Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE ☐

S	Source (Name and Address)	Brief Description	Value
Exam-ples	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 8/15/83	$900
	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1	Nominee -- Not applicable		
2			
3			
4			
5			
6			

PREVIOUS EDITION USABLE

Form Approved
OMB No. 3209-0007

Reporting Individual's Name
Gary C. Byrne

Page Number	12	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

		Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Examples:	First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	25 yrs.			X		
		John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1		Bowest Corporation	mortgage on 1581 University								
2		P.O. Box 85263, San Diego, CA 92138	Avenue, Sacramento, CA 95825	1989	9.5	25yr				XX	
3		First California Mortgage	mortgage on undivided interest								
4		Larkspur Landing, Larkspur, CA	5801 Calle Real, Galeta, CA	1979	9.75	30yr					XX
5											
6											

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☒

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example:	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/78 partnership agmnt.

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370-190

Form Approved
OMB No. 3209-0230

Reporting Individual's Name
Gary C. Byrne

Page Number	13	Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Exemples: Nat'l Assn. of Rock Collectors, NY, NY	Non profit education	President	6/83	6/83
Exemples: Doe Jones & Smith, Hometown, USA	Law Firm	Partner	7/76	11/83
Bank of Alex Brown, Sacramento, CA	Bank	Chairman, President, CEO	3/85	9/1/89
Alex Brown Financial Group, Sacramento, CA	Bank Holding Company	Chairman, President, CEO	3/85	9/1/89
Alex Brown Development Corp., Sacramento, CA	Real Estate Development	Chairman, President, CEO	7/85	9/1/89
Meridian National Bank, Concord, CA	Bank	Chairman	8/79	9/1/89
University of Redlands, Redlands, CA	University	Trustee	5/83	present
Physician's Clinical Laboratory, Sacramento, CA	Medical Laboratory	Director	8/87	10/89

Part II
Compensation In Excess Of $5000
Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☐

Source (Name and Address)	Brief Description of Duties
Exemples: Doe Jones & Smith, Hometown, USA	Legal services
Exemples: Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction
Bank of Alex Brown, Sacramento, CA	Management Services
Alex Brown Financial Group, Sacramento, CA	Management Services

February 26, 1990

Honorable Patrick J. Leahy
Chairman
Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On January 25, 1990, a copy of my SF 278, Financial Disclosure Report, required in connection with my nomination to serve as Administrator of the Rural Electrification Administration, was submitted to the Office of Government Ethics. That report contained all required financial information for calendar year 1988, and for calendar year 1989 through November 30, 1989.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF 278, i.e., that required by section 202(a)(1)(A) of the Act, respecting income (other than dividends, interest, rents, and capital gains) and honoraria, to a date which occurs five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is presently scheduled for Wednesday, February 28, 1990. The purpose of this letter is to report that, as of February 23, 1990, I have received no income or honoraria in addition to those categories and amounts of income shown on my Financial Disclosure Report as dated and signed on November 30, 1989.

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,

Gary C. Byrne

United States Department of Agriculture | Rural Electrification Administration | Washington D.C. 20250

FEB 1990

Honorable Patrick J. Leahy
Chairman
Committee on Agriculture, Nutrition and Forestry
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This is in response to a question raised this morning at the confirmation hearing for Gary C. Byrne as Administrator of the Rural Electrification Administration. The question concerns the status of a loan application for REA financing from the town of Hardwick, Vermont.

At the present time, the consulting engineering firm for the town of Hardwick is preparing the engineering and construction plans necessary to support Hardwick's application for financing. The engineering firm is also preparing a certification on the adequacy for electric service in the area to support the determination of Hardwick's eligibility for REA financing. It is our understanding that Hardwick should be ready to submit this data within six to eight weeks.

However, we are strongly encouraging a merger of Hardwick with Washington Electric Cooperative, East Montpelier, Vermont. It is our understanding that Washington Electric would be willing to discuss such a merger. It is our view that such a merger would result in a more viable system that would be able to provide service at more reasonable rates rather than having Hardwick as a stand-alone system.

We are working closely with Hardwick to expedite its necessary loan documentation. We will be happy to work with you on this matter and any other issues dealing with the REA lending programs.

An identical letter has been sent to the Honorable Howell Heiflin, Chairman, Subcommittee on Rural Development and Rural Electrification, United States Senate.

Sincerely,

Jack Van Mark

JACK VAN MARK
Acting Administrator

41-310 O - 91 - 3

NOMINATION OF LA VERNE G. AUSMAN, OF WISCONSIN, TO BE ADMINISTRATOR OF THE FARMERS HOME ADMINISTRATION

WEDNESDAY, FEBRUARY 28, 1990

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The committee met, pursuant to notice, at 3:50 p.m., in room SR-332, Russell Senate Office Building, Hon. Kent Conrad (acting chairman of the committee) presiding.

Present or submitting a statement: Senator Conrad.

STATEMENT OF HON. KENT CONRAD, A U.S. SENATOR FROM NORTH DAKOTA

Senator CONRAD. I will call the hearing to order.

First I want to apologize, sincerely apologize, for our lateness in beginning the hearing. I have been involved in a series of negotiations on another matter that is before the chamber. Senator Kasten is fully familiar with this issue. It involves clean air legislation, of critical concern to all of us. This legislation is a train that is about to leave the station.

Let me first say that this is a hearing to consider the nomination of La Verne Ausman for the position of Administrator of FmHA. I want to welcome the witness and indicate that we hope to move this nomination with dispatch, after we have had a chance to hear from him.

I have a statement for the record, and I think at this point, with the lateness of the hour, I will enter that statement in the record and we will turn directly to my colleague, Senator Kasten, and then to Congressman Gunderson, for an introduction of Mr. Ausman.

[The prepared statement of Senator Conrad follows:]

PREPARED STATEMENT OF HON. KENT CONRAD, A U.S. SENATOR FROM NORTH DAKOTA

We are here today to consider the nomination of La Verne Ausman to be Administrator of the Farmers Home Administration. The leader of this agency has a daunting task ahead of him. I want to be sure that the Senate confirms an individual who can provide the strong leadership needed to resolve FmHA's many problems and direct the agency to provide the services needed in this new decade.

As I look at the Farmers Home Administration, I see a massive, decentralized organization. FmHA has 46 State offices, 266 district offices and 1,907 county offices and 11,400 employees. Its loan portfolio has grown 630 percent since 1971, to a total of $63 billion in 1989. FmHA has grown from a lender for farm loans to lender for community facilities and rural business. In addition, the farm depression of the 1980's resulted in massive borrower delinquencies, and the enactment of the Agri-

cultural Credit Act of 1987 which required FmHA to resolve these delinquencies. Yet despite these increasing responsibilities and a sixfold expansion in its obligations, its county office staff has only grown 26 percent. Total staff has only increased 53 percent. I am concerned that its staff has not kept pace with its growth in responsibilities.

When I look at FmHA, I see employees, borrowers and private lenders burdened by paperwork and regulations. Prospective and existing FmHA borrowers tell me of long and often fruitless delays in applying for direct loans. Private lenders tell me about inconsistent delays in the processing of guaranteed loan applications from county to county and State to State. Borrowers applying for debt restructuring are encountering delays not allowed by law. I hear of County Supervisors and county committees with too little training and not enough time to read regulations making decisions which have a major impact on a farmer's operation.

The General Accounting Office has completed detailed assessments of problems with FmHA's direct loan program. In addition, GAO and the Office of the Inspector General have uncovered major deficiencies in the processing and oversight of servicing of FmHA guarantee loans at a time when the Administration is pushing for more guarantees. We simply must resolve these problems. In addition, we must improve FmHA's inadequate data management system. Without access to better information, Congress and FmHA cannot readily determine whether the agency is meeting its many goals.

When I look at FmHA, I see an agency which has moved away from its role of lender of last resort, of supervised credit to financially troubled borrowers and beginning farmers. Its staff does not have the time or, in some cases, the ability to help its borrowers develop the financial and farm management skills necessary to successfully compete for private credit. FmHA has filled this role in the past, and I believe it can again in the future.

When I look at farmers and rural communities, I see a continuing need for FmHA assistance to provide low-interest loans to farmers and communities who cannot obtain credit elsewhere. Yet there is a disequilibrium between direct and guaranteed loans. The testimony I have received contradicts the Administration's assertion that guaranteed loans can nearly replace direct loans. At my hearing on February 20, Neal Sox Johnson, FmHA's Acting Administrator, said he believes that 5 percent of the 203,000 direct FmHA farm borrowers can qualify for private credit. Knowing this, the Administration still proposes cutting direct loans by 50 percent. Knowing the demand for direct loans, I simply cannot accept the Administration's proposal.

When I look at FmHA, I see a massive agency with many problems. Yet I also see an agency that has much potential. I see many dedicated employees working overtime to make its programs work. These employees need strong leadership. I hope that the nominee before us, Mr. La Verne Ausman, can provide that leadership.

Mr. Ausman, welcome.

Senator CONRAD. With that, why don't you proceed, Senator Kasten?

STATEMENT OF HON. BOB KASTEN, A U.S. SENATOR FROM WISCONSIN

Senator KASTEN. Mr. Chairman, thank you, and thank you also for your comment indicating that you intend to move with dispatch. Not due to any fault of this committee but due to the overall personnel process, as you are well aware, getting bogged down, this nomination has been on hold for a number of months. It is good news that we are going to be able to expedite the process in the Senate. I thank you for that.

I am pleased to introduce La Verne Ausman to the Senate Agriculture, Nutrition, and Forestry Committee, and I am very pleased that the administration has chosen to nominate La Verne to head the Farmers Home Administration. La Verne is an experienced farmer and excellent nominee for this position. I got to know him personally when he served in the Wisconsin State Assembly from 1974 to 1977. He impressed me as a knowledgeable and talented in-

dividual then, and he has been building on that talent and that expertise ever since.

As Secretary of the Wisconsin Department of Agriculture, Trade, and Consumer Protection from 1981 to 1986, he managed a department of 740 employees and oversaw the agricultural policy of America's dairyland, the State of Wisconsin. He has been a distinguished official at the U.S. Department of Agriculture since 1986, first as Director of Intergovernmental Affairs and later as Deputy Under Secretary for Small Community and Rural Development. In that position, he gained hands-on experience in dealing with the problems and the challenges facing the Farmers Home Administration.

So La Verne Ausman knows farming. His farm in Elk Mound, Wisconsin consists of about 165 milk cows, along with beef and cash grain. And he knows Washington, too. I am hopeful that the committee will look favorably upon this nomination, and I thank the chairman.

Senator CONRAD. Thank you, Senator. Very good to have you here. We appreciate your taking the time to do that.

Congressman Gunderson, would you like to make a statement?

STATEMENT OF HON. STEVE GUNDERSON, A REPRESENTATIVE IN CONGRESS FROM THE THIRD CONGRESSIONAL DISTRICT, STATE OF WISCONSIN

Mr. GUNDERSON. Thank you very much, Mr. Chairman. It is indeed a privilege to be here and to join with Senator Kasten in presenting to you someone who is a close personal friend; I can tell you a former member of my staff, as my district director who handled my Farmers Home cases at that time, so he has seen it from our side; a former colleague in the Wisconsin State Legislature; and, as Senator Kasten said, our former Secretary of Agriculture in the State of Wisconsin.

Those of us in this agricultural work who have experienced the challenges in Farmers Home and farm economics over the last 10 years need to appreciate that we are now getting someone who comes from a family farm, who comes from the Midwest, who understands farm economics, and I think has the experience, not only in agriculture but in administration, that is exactly what we have been looking for in this very difficult position through the eighties and certainly into the nineties, as we face these challenges. So we believe you have the right man, and we are indeed honored to be next to him at this time.

Thank you.

Senator CONRAD. Thank you. Again we appreciate very much your taking the time to come here and introduce the witness. We understand that both of you have very busy schedules and other responsibilities, so please feel free to leave as your schedule dictates. Of course, you are certainly welcome to stay.

Senator KASTEN. Mr. Chairman, I just want to make one more brief comment. I want to be sure that the chairman and the committee recognize that La Verne's wife, Mrs. Ausman, is here today as well. I simply wanted to introduce her to the committee.

Senator CONRAD. Very good. Very nice to have you here, Mrs. Ausman. We appreciate your being here. I am sure this is a proud moment for the family.

Thank you, Senator Kasten, Congressman Gunderson.

Mr. Ausman, if you would stand to take the oath.

[Witness sworn.]

TESTIMONY OF LA VERNE G. AUSMAN, TO BE ADMINISTRATOR OF THE FARMERS HOME ADMINISTRATION OF THE U.S. DEPARTMENT OF AGRICULTURE

Senator CONRAD. La Verne, we have a couple of housekeeping details, required questions, so why don't we turn to those quickly so we can get on to other questions.

If you are confirmed by the Senate, will you faithfully execute the laws passed by Congress, regardless of any prior statements you have made or biases you may have held?

Mr. AUSMAN. I will.

Senator CONRAD. Mr. Ausman, if your nomination is approved by the committee and the Senate, do you promise to respond to requests to appear and testify before this committee or any other duly constituted committee of the Senate?

Mr. AUSMAN. I will.

Senator CONRAD. All right. Why don't we talk about some of the basic situations that we face and your general view on some of these topics. As you know, obviously the credit title is a significant item before Congress this year as part of the 1990 farm bill consideration. In addition, we will have legislation moving through to correct problems that have occurred as the Agricultural Credit Act of 1987 was implemented. Maybe you could share with the committee the role that you think FmHA should be playing in terms of providing credit to this nation's farmers.

Mr. AUSMAN. I think Farmers Home has always been identified as the credit agency for those that cannot get credit in normal commercial channels. That is clearly its responsibility. It has had over the years another role, that of helping beginning farmers with limited resources get into farming.

Right now, if you want to take a look as I see it in the short run, we have to continue to put a lot of emphasis and effort into implementing the 1987 Ag Credit Act. We are well along with that. The mechanism is in place, but it still will take attention to deal with everybody out there that is a potential beneficiary of the act so that we can get that taken care of.

That is short run on the agriculture side, but of course we all know from personal experience and we know from what people are saying that there is a lot of interest in taking a look at the broader picture in rural America—rural development, rural revitalization, whatever you might want to call it. The Farmers Home Administration has an important role there from the standpoint of housing, from the standpoint of community facilities, the infrastructure that makes that work, if those responsibilities were as they are there today.

And so I think we have a real challenge in Farmers Home to implement those programs and those policies, to address what is not a

stagnant rural area. There are a lot of dynamic things happening in rural America today, and I think we ought to be helping in that side of it also, so there are a lot of things on our plate.

Senator CONRAD. Let me ask you this: FmHA has been termed the "lender of last resort." What does that mean to you?

Mr. AUSMAN. It means principally you are not eligible for credit in the commercial channels, by normal commercial standards, and it is our responsibility then to take a look at those potential borrowers and see if we can, through supervised credit or through a guarantee in the commercial channel, make that credit available.

Senator CONRAD. Do you believe that that is an appropriate role for FmHA?

Mr. AUSMAN. To me that is the only appropriate role we have. We ought not to be or develop into a major lender to the broad cross-section out there, because if we do that we will diffuse the limited resources we have available, and we all know that the resources are a finite number. Then we would diffuse that and not be able to give attention to the people we ought to.

Senator CONRAD. In looking at the Agricultural Credit Act of 1987, you understand that Congress faced almost a Solomon-like set of decisions in that we were confronted with very substantial losses from loan programs that had been sharply curtailed or eliminated in the 1980's, but in which the wreckage had not been cleared. That is, those losses sat out there because FmHA would not service the delinquent loans. The loans continued to accrue interest—supposedly—although payments were not being made on a large percentage of these loans.

The situation Congress had to confront was the delinquent status of literally thousands of borrowers. Because these thousands of borrowers could not go through the bankruptcy court system, we had to devise a system that would provide for the maximum financial return for the Federal Government while it allowed us to move those delinquent accounts through the system outside of the courtroom.

What is your basic view of the Agricultural Credit Act of 1987? Was it productive? Was it structured in a useful way? What changes should be made? If you could share with us your basic view of the Agricultural Credit Act of 1987, I think that would be useful for the committee.

Mr. AUSMAN. I think the basic policy intent and the development of the act addressed the problem in exactly the manner that the Congress wanted to address it. I don't know if this is a technically correct assessment, but Congress also at the same time put into place a Chapter 12 in the bankruptcy law, specifically aimed at farmers, and on occasion I have referenced the Ag Credit Act as an administrative Chapter 12. It eliminates the necessity of the court proceedings, but you get to the same situation; you write down debt and keep the people on the farm.

I think that is a laudable goal and I think we are on our way. As I said, I think it is a high priority in the Department. I know it is a high priority today, and it is going to be for the immediate future, to implement the intent of the act.

Is it working well? On balance, yes. There are some problems, individual problems, that I think have the potential of challenging

the credibility of the act because of the nature of the attention that might be placed to them, and I think we ought to and we have visited about those. The Department and the Administration have advanced a number of proposals. You have passed here in the Senate, last fall, a proposal addressing one of those that I think will assist in preserving the integrity of the act and it won't stop the progress or the intent of the act. So that is my personal view.

Senator CONRAD. All right. Do you think it is an appropriate goal to try to maintain farm families who have credit problems on the land—if the financial difficulty has occurred through no fault of their own—that is, as a result of economic policies that flow either from a farm bill or from larger economic policies—if that farmer has acted in good faith—has been honest with the lending agency, and has worked to the best of his ability to meet his obligations, do you think it is appropriate to try to maintain that farm family on the land?

Mr. AUSMAN. Certainly that is the intent, I guess, of maybe Farmers Home since its beginning. I think we ought to, however, as I look at this, recognize that Farmers Home operated from 1935 until 1987 within a parameter that didn't require what happened in 1987, that kind of action. That is principally because I think what happened in the eighties is the biggest adjustment we have had in agriculture. It happens about once every 50 years historically. Those are cyclical things and, odd as that might seem, it happened in the eighties.

So we had to deal with a special problem. You addressed that. We had built a farm economy. I was out there. I lived through that—our son was there, is there today—a major adjustment in farm values, and of course in Farmers Home when we are lending almost to the present appraised value, if you diminish it you have a problem, and that is exactly what happened. You have to deal with that problem.

I don't think it would be good in the long run to establish that kind of action ongoing. I think that could disrupt what we call normal credit patterns. We have to, I think, have a credit policy that recognizes that Farmers Home has a special responsibility to borrowers, but we ought to be able to set up a kind of program and contract where we won't get in those kinds of problems again, other than in dramatic situations. I am not saying they occur every 50 years, but they just happen to have in recent times, but I don't think it ought to be an ongoing situation. I have to say that.

Senator CONRAD. Do you believe that FmHA ought to maintain a direct loan program?

Mr. AUSMAN. We are continuing in the 1991 budget to recommend a direct lending program. We are targeting it, as I said earlier. I think we have limited resources or we have fixed resources. How we divide it up, you can look at USDA and decide how you want to divide it up there, or you can look at the bigger picture and how you want to divide it up there.

So I think we are recommending, and I would be supportive and am supportive of the direct lending program targeted in farm ownership to socially disadvantaged, in the direct operating money to a specific group that cannot meet commercial credit without help of

a guarantee. Certainly we need that in 1991, and maybe into the foreseeable future.

Senator CONRAD. Let me ask you this: If we review the direct and guaranteed loan programs, we see that the direct loan program is oversubscribed, while the guaranteed program in the most recent fiscal year only used 35 percent of what was authorized. Yet the administration proposes that we cut the direct loan program in half after it has already undergone very dramatic reductions. We had some $4 billion authorized for direct loans in 1981. It is down to $1 billion in the current year. The administration now proposes cutting that amount in half and putting more emphasis on guaranteed loans, at a time when only 35 percent of the guarantee authority is being used. Does that policy give you any pause?

Mr. AUSMAN. No, it doesn't, and let me just share with you briefly some of my thoughts on it. I looked back out of curiosity a little while ago to the size of the direct loan program in the last 20 years. The direct loan program last year was three times what it was in the seventies, in size. Now you have to do some adjustment for inflation, but when you consider that we have had some deflation in agriculture you don't have to make the same adjustment you would if you were to look at the economy as a whole, so there is a sizable commitment in the direct loan.

We see some trends, and you say "oversubscribed." Actually, last year we ended—when we ended the last fiscal year there was about $40-some million left in the direct program that wasn't used, plus the $32.5 million that was added on late, so actually we ended up with $70-some million left in the direct program last year that wasn't utilized, wasn't obligated. I think that is a trend. I think it is a trend that relates to what is happening in the farm economy nationwide, recognizing there are parts of the country that that is not true, but we have ability to move money around and address those problems, so I think we see a trend developing.

Then when we analyze what is happening in the 1991 budget and the guarantee program, the Administration is offering and recommending interest assistance to people in the guarantee lending program. That means, as we have budgeted it, an average of a 3 percent credit off of commercial rates, the theory being to bring commercial rates down to about what our what we call note rate is.

That wasn't—as I understand it, and I have looked at that a little—that wasn't just done without thinking about it. We matched the direct money to the limited resource money we used last year. We matched the guaranteed interest assistance to what it would take to deal with the people who paid what we call Farmers Home note rate, which runs around 8¾, something like that.

It should meet the needs. It certainly ought to make the guarantee program work for people that it didn't work for last year. While we had an interest rate buy-down program, it was a matching one. The lender had to take a point if we were to put a point forward. This one is not—we don't require a match, so I think it is an entirely different setting.

Not to belabor this, I just looked at some other figures. The guarantee program seems to be taking hold in areas where it hadn't, and so I feel good about that because it looks—you are always concerned about areas where the guarantee program hasn't worked,

and now we see that working. An example—I wouldn't want to be held to these figures—I think the State of Mississippi, though, today has 200 percent more guarantee loans out to date than they had a year ago on the same date, and a corresponding drop in direct.

So somehow the commercial sector has been able to move, and we don't even have the interest assistance in place today. You put that on top of it, the bottom line is yes, I think it will work. I think it is responsible, and we will serve more people, given a fixed sum of money, through a combination of direct and interest buy-down because of the outlay, the positive side on that way, than we could if we would go direct.

Senator CONRAD. For the purposes of the record, let me provide an alternative view of this situation. I want to share with you a reaction to a statement you made regarding the direct loan program that is three times what it was in the 1970's. As you have correctly stated, we had significant inflation in that period, and on top of that we had a collapse of land values in this country unprecedented since the 1930's.

In fact, American agriculture lost $460 billion in the decade of the 1980's. If you adjust for inflation, farm income for the 1980's was the lowest since they started keeping records in 1914. So it is not surprising that we have significant growth in demand for direct loans from FmHA as the lender of last resort.

Recall that we have already had a dramatic reduction from $4 billion in 1981 down to $1 billion in the current year, and now the administration recommends a 50 percent reduction again for next year. With the $70 million surplus that you referred to, it would take us down to some $930 million apparently in direct loans—if we had $1 billion in authority. From $930 million to $500 million is a very dramatic reduction.

I am concerned about the interest rate assistance program that you referred to. Although I think it is a good experiment and I support it as an experiment, I don't want to accept a shortrun solution that gets us into bigger trouble in the long run. Let me just share with you a message I have consistently received during FmHA hearings, both in my State and here in Washington. In those hearings I repeatedly heard warnings that in the 3 years of assistance under the current interest buydown program borrowers will have reduced their principal outstanding only slightly. Their equity will only have increased 5 percent in that first 3 years. As you know, in the early years your equity buildup is quite modest. When these 3 years are up we hit them with a 25 percent increase in their interest cost. That will be the end of them. We nursed them into the guarantee program by giving them a reduced interest loan for the first 3 years. But, when they have to go back to market rates, we might have issued them an economic death sentence. They will be in financial distress in the guaranteed loan program that doesn't provide them with the same loan servicing options required under the direct loan program. As a result those people will be out of business.

Just as a philosophical matter, the administration is proposing graduation at the end of a fixed period. Do you think it would be good policy if a farmer, at the end of 7 years or at the end of what-

ever specified period we would select, who acted in good faith but who could not be picked up in the commercial sector, was told, "Because you have to graduate and because the commercial sector can't take you, you are finished farming"? Does that make sense to you?

Mr. AUSMAN. No, it doesn't, and I don't think we are recommending that when we talk about some fixed things, when you think of how many options there are available there. Ultimately we are talking about working with that farmer in a number of ways: direct loans, guaranteed loans with interest assistance, opportunity to restructure. Someone has projected this. You have a potential of 17 years.

I would like to believe, and we have discussed this before, but for the benefit of this hearing, that we have to put more attention to what I call supervised credit; that we provide the farmer more than credit, but provide them assistance in managing their business. I feel comfortable, and if we want to take a look at how long people are with Farmers Home, the majority—and there was a recent General Accounting Office study on that—if we were to pick out of that, we do find 20 percent of our borrowers with us longer than 10 years, but the balance are not. That would lead me to believe that 80 percent now are being successful in moving out of Farmers Home, and that window that they took that picture is the worst case scenario you can have. It is the eighties, when we had that tremendous adjustment.

So as I look at those figures—and we are going to have to work with that, and Congress is going to have an intense interest, if we in fact take a look at putting an end of the term, in where that ought to be, and I recognize that. I appreciate your concern for that borrower, but I think as you take on—it is kind of like signing any other contract for a loan, be it real estate or personal. It has terms to the contract, and you have to meet the terms, and the length of it can be one of the terms if that length is reasonable.

I think we attain goals sometimes that we shoot for, and I think that is part of it. I would like to emphasize that I believe we can work and we can make successful borrowers out of these, and I would like to think that when that happens, the term, the end of the term, they may be leaving us before that, but at least we will have that kind of protection if they can't.

Senator CONRAD. So as I understand it, if a farmer who has made every payment on a timely basis, has been honest and forthright, has been a good manager, could not be picked up by the private sector for whatever reason, he would not be forced out of farming because there wasn't credit available?

Mr. AUSMAN. If we can't move them into the private sector with interest assistance—and that is an option, remember—it is not that you just go commercial. You go guaranteed with interest assistance, so we are with them. We are staying with them beyond the 7 years in the proposal as drafted. But even if that didn't work, there is an opportunity, as stated, to restructure that loan if it is a 7-year equipment loan, if that is the problem, so you can go beyond that even with direct. We just aren't going to make a new direct loan into the next year.

What I am really saying is, I think we have a lot of options. I think that is going to be a rare case, but if they have not been successful in that period of time, I think it is in fairness to the borrower and in fairness to everyone involved, the public and the world out there.

I think if you were to go down to the feed store and discuss those kinds of things—that is where I get a lot of my philosophy, the few times I get a chance to go home—I think they would say that that is a reasonable approach, reasonable on the part of the individual. I think there is a reasonableness in public policy determining how long you give assisted credit. If everybody knows that up front and we all work together to attain that goal, I think reasonable goals will be attained, and I do not find that bad public policy.

Senator CONRAD. Let me understand your answer. Are you saying, then, that if you got to the end of the period, whatever it is, and a farmer has met all the payments but couldn't go into commercial credit, that you would support a policy that would eliminate that person from farming?

Mr. AUSMAN. I think they have to sit down and face the realities. If you haven't made any progress in 7 years, do you want to invest some more of your life, maybe expend the last of your resources? And I respect people, if people say it really doesn't matter. If the person wants to dissipate the last of his resources, wants to put some more of his time into this, he ought to have the right to do it. I don't know as a public agency if we ought to be a party to that, and that is what you are in a lot of those cases. That is what it can develop into.

Senator CONRAD. I tell you, that is a fairly chilling prospect. If we had had this set of policies in place in the 1980's, we would find a whole lot fewer folks on the farms of my State. We went through a period of 10 years in which commodity values collapsed, the land values collapsed, not because of something farmers did but because of policy out of Washington, followed by 3 years of drought. If we had a policy that you are now advocating in place, we would have a whole lot of folks that would be out of farming.

I really wonder, as a matter of social policy, if we want to set up some rigid standard that says, "At the end of x years, if you can't get commercial credit, it doesn't matter if there has been a drought for 3 years—you are finished as a farmer." Is that really what we want to say to people?

Mr. AUSMAN. Let's just review what we have talked about even earlier here today. The Congress and the Administration recognized what happened in the eighties was an abnormal situation, and the Congress and the Administration passed legislation to deal with that. As I said, I support that and the intent of it, and we will implement it. I put it as high priority.

We are now looking at policies for the long run, looking ahead in what all of us hope and have every reason to believe will be much more normal times. You pass disaster bills when there is disaster, recognizing you have to deal with those kinds of things. We have to, I think, look at a broad picture policy.

If we extend permanent credit to people who have been with us, that just means there are that many other young farmers who will not have an opportunity to start. It is that simple. That is the kind

choice we are making. Those are tough choices. They are tough for all of us, but I think if we extend credit with no limit to it at all, we also recognize right up front that there will not now be money available for others who might want to start. That is the tough choices we all have to make.

Senator CONRAD. You know, you are right. We do make very tough choices, and there are some who would like to see an agricultural America with several hundred thousand corporate farms as the face of American agriculture.

Agriculture in its history has never been able to sustain a prolonged period of high interest rates. We have now been through a decade of record-high real interest rates. Without subsidized credit, the farm base would now be absolutely devastated. But, obviously, we have a difference of opinion on this matter. Reasonable people differ on these outcomes.

Let me ask you this: The Office of Inspector General and the GAO have both pointed to what they see as some serious problems with the guarantee program. They have found that in fact there are very few new folks receiving those guarantees; that instead those loans are going to existing clients of commercial banks. OIG has pointed out that there is an inherent vulnerability to abuse by lenders in this program. Let me ask you how you would address that problem.

Mr. AUSMAN. We have a responsibility to supervise the guarantee program with the same intensity we supervise our direct program. By supervising it, I mean preserving the integrity of the program. I am not going to say that guarantees are not placed on some existing loans that should not have been. You can't operate, you can't crank that system up to the speed we did through the eighties—and I was Secretary of Ag in Wisconsin at the time that was happening, and watched it from the other side, I wasn't intimately involved—without some errors.

But if we look today, the loss ratio on the guaranteed loan is falling, and I think that is encouraging. I think that means we already have some things in place that are showing results. I think in 1989, there was something less than 2 percent loss in the guarantee program, down from a peak of over 4, which is unacceptable, and I happen to know we are instituting a number of measures to try to further monitor that program.

On the other issue of the fact that you have a lot of existing borrowers out there, that is what everybody was doing in the eighties. There wasn't a lot of pressure for new entry. You and I know that. Young people were not excited about getting into it. It was the policy of Congress, as I saw it, and of Farmers Home, to keep existing borrowers on the land. That is the purpose of the 1987 Ag Credit Act, and the commercial lenders out there, they just made a decision: "Let's try to keep the people that are out there, out there if it is possible," so all the attention was directed there, so you are bound to see that kind of thing moving in to come under guarantees.

Take the change in the climate out there today, both economic and attitudinal, and the change in policies which we are recommending on interest assistance, and I think you will see a new

class of people involved. When you take the picture it has a lot to do with what kind of picture you get.

Senator CONRAD. The Office of Inspector General recommended that FmHA implement a policy of not approving a lender's guaranteed loan application for an existing lender until that lender had taken on a certain percentage of graduating FmHA direct loan borrowers or beginning farmers, or until a certain percentage of FmHA direct loans had been converted to guaranteed loans. What is your reaction to that recommendation by the Office of Inspector General?

Mr. AUSMAN. Well, we are going to be working hard to get guaranteed lenders on the commercial side to take existing Farmers Home borrowers. We have to, if we are going to implement the kinds of things we are recommending in the 1991 budget. That is integral to doing that. We have used the term that has been around, and you are familiar with it—operation assist—where we will go to those lenders.

I don't think you can set those kinds of goals on individual lenders because situations vary across the country, and it would be tougher to do in North Dakota after 3 years of drought than it might be in other parts of the country. I think we have to recognize that. So I would be apprehensive of saying we are going to put a goal on all the lenders, but we certainly have to have a goal over the country to attain that goal. We would be committed to it. It is the only way we can make our plan work. It is the bottom line.

Senator CONRAD. One of the things that I hear a lot in talking to farmers in my State is that FmHA is supposed to provide supervised credit but the loan officers just don't have the expertise to provide the kind of supervision that is meaningful. What is your reaction to that, and how do we deal with a problem like that? First of all, is there such a problem? Is it a significant item, or something that needs to be addressed in terms of the training of these folks? What is your reaction?

Mr. AUSMAN. I do not believe it is a system-wide problem. Obviously someplace we have hired somebody, or more than one, we have County Supervisors whose interests may not be as much toward agriculture as they ought to be. We require some ag credits in people who come into those positions, as part of the classification of the job. I think we may be and we are taking a look at what those credits ought to be. I think ag credits have been generally lumped, and we ought to be taking a look at farm management type credits.

In those cases, however, and I don't think we have always explored this, there is available locally—either through extension or farm management classes and vocational and those kinds of things—some things we can tie into it. Maybe we ought to access those, our State directors in those cases where they might feel they have a County Supervisor whose interest is greater in another place. It is something we have to look at.

In the time I have been in Farmers Home now as a consultant, one of the things I have spent some time with is looking at our whole training program. In the crunch of dollars that everybody lives with, I guess Farmers Home is not all that different maybe from a lot of businesses. We cut back on training as a way to save

money, so we could direct the problems we had ahead of us right at the moment. You know, we are not all that different from all the rest of the people who put out fires, and we have been in that kind of a deal.

We are spending a lot of time looking at how we can better train. In fact, we are even analyzing the possibility of taking everybody out there today, to bring them in for a quick course, not to bring them in to Washington or anything but I mean move them through. So training is important.

I think if you look at our County Supervisors as a whole, I think they are pretty good. I will say this: They don't have time to provide supervised credit. If you would look at the match between how many people we ought to have on staff and how many people we have on staff, it don't match, so——

Senator CONRAD. How far off is it, do you think?

Mr. AUSMAN. Oh, I think we have about 12,500 people and I suppose we ought to have 15,000. You know, we even made the case this year in coming with a budget with 500 more people. We think that is important. We think if we can implement the kind of movement to the guarantee that we are talking about, we will be able to really provide supervised credit for those direct borrowers that are the people that need it the most. So the combination of things, you are right, it is a problem. It needs attention. I think we are on our way to give it some attention.

Senator CONRAD. County committee members are another issue. Over and over in the hearings I have held, I have found instances in which county committee members were simply not knowledgeable about the law on which they based their decisions. Would you support some training on an annual basis for county committee members?

Mr. AUSMAN. It is certainly our responsibility, the responsibility of the Agency, to inform people who have responsible duties, and they have a very responsible role today. They define what are suitable farms. They define who is an eligible borrower. They need that kind of background, and if it is not functioning in some States, it ought to be dealt with.

Senator CONRAD. Let me go back to the guaranteed loan program, if you don't mind. I find very troubling, frankly, after the hearings I have held, the notion that we can have a further dramatic reduction in the direct loan program and that the guaranteed program, even with the interest rate reduction, is going to do the job. I have had private bankers, who advise farmers, FmHA officials, and Farm Bureau officials tell me that we are moving too fast in shifting from direct to guaranteed loans and that the proposed changes are going to hurt a lot of people.

The private bankers testified, "Look, very frankly, even with the interest rate buydown program in force now, in 1988 FmHA only obligated 10 percent of the guaranteed loan money available." And you ask why. Why didn't the private sector pick up on that program? The private sector says, "The same reason we are not going to pick up on this proposed interest assistance program, because we are not interested in taking on new clients who can't cash-flow without an interest rate break, when 3 years from now the interest

rate break is going to be gone and their equity has only increased 5 percent in the interval." What is your response to that?

Mr. AUSMAN. You know, we can all look at the figures and come to our own conclusions. I have gone through how I see we developed that particular proposal, why I happen to think it will work. Reasonable people can differ on whether it will work, and there are differences across the country.

I could say, you know, I haven't talked to a lot of people but we have talked to bankers and people who are enthusiastic. We can't compare it with what didn't work last year, because there the bank had to take a cut in interest for us, so that is a direct loss for them. They are saying, "Why should I take on a borrower whose chance of success is less than a commercial rate, and take him on at a lower rate of interest than the rest of my people? It really isn't fair to the rest of my customers."

Today that is different. He doesn't have to take a loss of income. If we implement the 1991 proposals, the Government will be right up front. The other program, incidentally, still is in place and can come on afterwards for those who might even want to use it. I would not expect that to be widely used. I think it is just a case of, we took a hard look. The people who developed it have a rationale behind it, and reasonable people differ whether it will work, and I think some of that maybe varies from what parts of the country we come from.

Senator CONRAD. Let me ask an administrative question. In oversight of FmHA one of the things I have become convinced of is that the computer systems there are woefully inadequate to provide the kind of management information that is needed to manage the agency and, very frankly, that Congress needs to oversee the management of the agency. What would be your intention with respect to management information systems of FmHA?

Mr. AUSMAN. First let me say we totally agree on that, that we have some problems. We already brought some new people in with some areas of expertise that we feel very good about. We are constantly looking at how we might get information.

Let me just share this. One of the things we have battled with is a program that the Department calls SENT. It is one where we record all of the things that are happening out there on borrowers through the servicing actions, and I think there were times they were about ready to throw up their hands. We can say today that we have put the thing in place and it is working, and we are being told that we will get better information every month.

We need information. I suppose we will never get all the information we want, but in this day and age not only do we need it, we can get it. We have the ability to get it, and because of that we have to spend a lot of time and attention to it. I think we are. We have brought all of our county offices into the computer age. Now we have to update some of that and really get the information working.

I couldn't agree with you more. It is a high priority item. You need the information. We need the information, and it will help our overall efficiency in dealing with the case load we have and in working with people. It will be a high priority if I have the opportunity to serve as the Administrator.

Senator CONRAD. Let me ask you this question. It is a basic disposition question. Obviously there will be times when we disagree. I am not referring to you and my relationship but I am referring to your relationship with Congress. At times Congress will disagree with the administration. Congress will pass something that is at variance with what you advocate, and then it will be your responsibility to administer whatever it is that Congress says is the law of the land.

In my 3 years here—and there are many who have served much longer and have had the experience of passing a law that is at variance with what the administration recommends—I have observed the administration basically going out of its way to make sure that the program doesn't work in order to prove that the administration was right after all. If Congress disagrees with La Verne Ausman and comes up with a way of handling a problem that is at variance with what you have advocated, would it be your intention to faithfully execute the program and attempt to make it work, even though it is not what you personally had advocated?

Mr. AUSMAN. Well, I answered that question earlier today and I answered it very sincerely. I took that just for what it meant. One, you know I come out of the legislative side. I respect the system. I respect how it works. The Administration will propose; Congress will dispose. When that process is done, then it is my responsibility to see that it is carried out.

I happen to think that the best thing I can do for the Administration and the President that I have been nominated to serve here, is to carry out the intent of the law in an efficient manner, in the best possible way we can. If Farmers Home has any lack of credibility, that is how I intend to restore it, that we will carry out the intent, and the administration will be very important to me in carrying that out. I can pledge you that. I respect the system. I understand how it works, and when it is all said and done, we will carry it out the best way we know how.

Senator CONRAD. All right. I appreciate that.

We have a vote on. I understand we have two votes back-to-back. Let me give you a chance to comment on the court case that involved J.I. Case and your former partner and yourself. I think we have an obligation, for the record, to do that. I would just as soon we didn't, but I think we have an obligation to do that. Could you just share with us, from your perspective, what occurred in that lawsuit?

Mr. AUSMAN. To give you a little background on how we got to that, I guess I thought of that a lot of times, and when I have been involved with it. I suppose I started doing business, I think, back when I was 16 years old, and have had all kinds of business dealings since then. If you look back on that, I guess I feel good. I have never been in court, with hundreds of transactions, and I wasn't on that case, either. As you are well aware, that was settled between us.

But maybe the first mistake I made, I along with a couple of other people who weren't even named, we had an implement business back home in the early eighties that was getting in trouble, and we decided to put some money in to try to keep it going. I guess if you look at it, that was maybe the first mistake I made.

The second one was that if you are going to get involved in a business, you ought to—at least a small, local business like that—maybe you ought to be involved in it completely. I wasn't. You know, I was like you would call a silent partner, 185 miles away, working in State government. Ultimately the person who managed it falsified some records so we didn't know what was going on, and the business got in big trouble and it had to be closed.

The lawsuit that you reference is a result of my signing as a guarantor for J.I. Case for equipment, as we were a Case dealer, and I say that was settled between us in my paying them. The reason it went to a lawsuit, there was difference on what that amount ought to be. They stated what it ought to be and I told them what I thought it ought to be. They filed a court case, but I say they never took it to court. They finally filed for a dismissal, and I think you have—I know you have at your disposal a letter—well, one, the dismissal of the court case with prejudice, meaning Case can't bring it again, and a letter which they saw fit to send to me stating they appreciated the forthright and honest manner in which we dealt with that entire matter, which was distasteful I guess to both of us.

That is business. And you talk about the adjustment in the farm economy, I experienced a loss in our own farm values and I even experienced a loss in a local business, so I have had both ends of that experience.

Senator CONRAD. All right. I suppose I should pursue it one step further and ask you to respond for the record—the harshest critic might say this is not unlike a situation in which a farmer converts collateral. You were not the managing partner of this business. That was done by a managing partner. You were a guarantor. Is that correct?

Mr. AUSMAN. Yes.

Senator CONRAD. And so when this came to light, this was done—let me ask you—was this done without your knowledge?

Mr. AUSMAN. The disposal of the equipment? Yes, absolutely.

Senator CONRAD. The disposal of the equipment by the manager was done without your knowledge.

Mr. AUSMAN. Yes. The records would even show that some of that equipment was still in place, but it wasn't.

Senator CONRAD. And so what occurred was that this manager, in effect, took equipment that belonged to the partnership and sold it without properly compensating Case?

Mr. AUSMAN. That is exactly what happened; used it for other purposes.

Senator CONRAD. Used it for other purposes, and again that was done without your knowledge——

Mr. AUSMAN. Right.

Senator CONRAD [continuing]. Without your approval. Is that correct?

Mr. AUSMAN. Absolutely.

Senator CONRAD. And when Case then filed a legal action against the manager and against yourself, your involvement was as a guarantor?

Mr. AUSMAN. Right.

Senator CONRAD. And you settled this claim. Was the claim settled for the full amount of what Case alleged was due it?

Mr. AUSMAN. No.

Senator CONRAD. Could you describe what the settlement basis was?

Mr. AUSMAN. Well, the basis where you got to how we resolved the difference, actually it was my wife and I and two people from Case just sat down around a table. You know, it had been advanced to the court level, but we just sat down. My argument was, Case had not carried out their side of the contract because part of it is, they are to monitor that and keep track of what is there. Also, obviously I was a guarantor and had a responsibility.

You know, we just sat down and said, "OK. I guess that is the only conclusion I get, that yes, there are faults on both sides, and what is the best way to resolve this?" It is based on the letter which you have in your possession, or a copy of it. If you read this, this is about where this ought to end.

Senator CONRAD. All right.

Mr. AUSMAN. How they settled with the other partner, I am not sure.

Senator CONRAD. All right.

Mr. AUSMAN. That is a separate action. You know, it was settled separately. I was not a part of that.

Senator CONRAD. All right. Well, we now probably have about 5 minutes left in this vote, and I see no need to continue the hearing. I think we have aired some important issues. We will have many other opportunities, I think, to work together. I look forward to that. We have some significant challenges facing us with FmHA. Again I, along with the other members of the subcommittee and the full committee, look forward to working with you.

Mr. AUSMAN. Thank you, Senator. I hope we can do that.

[The prepared statement of La Verne G. Ausman and material submitted for the record follow:]

STATEMENT BY

LaVERNE G. AUSMAN

FARMERS HOME ADMINISTRATION

UNITED STATES DEPARTMENT OF AGRICULTURE

Before the

SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

CONFIRMATION HEARING

February 28, 1990

Thank you, Mr. Chairman and members of the Committee. I appreciate this opportunity to appear before the Committee to be considered for the position of Administrator of the Farmers Home Administration of the United States Department of Agriculture.

I want to begin by thanking Secretary Yeutter for his confidence in recommending me for Administrator of FmHA and President Bush for nominating me. I am greatly honored to be considered to serve in the Bush Administration and if confirmed, will devote all of my efforts to repay that trust.

For your consideration today, let me briefly share with you some of my background that I believe will be helpful in carrying out the responsibilities of this position. I have spent my life living and working in or

with rural America. I grew up on a farm and graduated from high school in a class of fifteen. Farming was our only source of income for the 25 years my wife and I operated our family farm. Our son, his wife and family continue to operate that farm today. I have been active in local, community and agricultural related activities my entire life.

In 1974, I was elected to the Wisconsin Legislature where I served two 2-year terms, followed that with a 2-year appointment to a state agency, one year as director of a rural congressional district and then served as Secretary of the Wisconsin Department of Agriculture, Trade and Consumer Protection. From April 1987 to April 1989, I served as Deputy Undersecretary of Small Community and Rural Development at USDA.

I believe the experience of operating a farm, serving on the policy board of rural cooperative businesses, serving the broader constituency in a legislative body and as administrator of a public agency will serve me well in carrying out the duties of this position.

I appreciate the interest of the Committee in rural America. I share that interest and concern. I believe we must look at rural America in the broadest context if we are to serve it well. That is Secretary Yeutter's policy and I believe your interest also.

If confirmed, I pledge to maximize the resources we have and concentrate my personal energy on the common goals I believe we have. There is nothing I would rather be remembered for than to have made a contribution to revitalizing rural America.

I would welcome the opportunity to work with this Committee if you were to afford me that honor.

Thank you for your consideration.

I would welcome any questions you might have.

BIOGRAPHICAL INFORMATION

1. Full name (include any former names used).

   La Verne George Ausman

2. Address: List current place of residence and office address(es). List all office and home telephone numbers where you may be reached.

   Res.: 3113 Valentino Ct., Oakton, Va. 22124
   Phone: 703-255-9146
   Office: 14th and Independence Ave. S. W. Washington D. C. 20250
   Phone: 202-447-3213

3. Date and place of birth.

   Feb. 18,1930, Eau Claire, Wisconsin

4. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es)

   Married; Beverly Jean Anderson
   Housewife and volunteer.

5. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

   University of Wisconsin Farm Short Course, January-March 1949
   No degree

6. Employment Record: List (by year) all business or professional corporations, companies, firms or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

   6/48 to 4/62 Farmed in partnership with father.
   All duties associated with dairy farming.

   1/61 to 1/69 Tri-State Breeders Coop, Westby, Wi.
   Board member, Secretary and President,
   Policy board which met monthly.

   4/62 to 4/77 Sole proprietor - dairy farm.
   All duties associated with operating a dairy farm.

   9/75 to 1/86 Moundco Inc., Elk Mound, Wi. President - stockholder.
   No active involvement, participated in policy decisions.

   9/81 to 3/83 River City Equipment Co., Eau Claire Wi.
   Vice President and stockholder, no active role in day to day operations.

   4/77 to present Melody Pines Farm Inc., Elk Mound Wi.
   President and stockholder. Participate in management decisions, assisted with farm work first two years.

Biographical information continued:

12/71 to 6/74 Wisconsin Farm Bureau Federation, Madison, Wi. State Board member, policy board which met monthly.

7. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

No

8. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

1961 - 65 Town of Springbrook Supervisor - elected

1966 - 72 State Board of Soil and Water Conservation Districts. Member and Chairman - appointed.

1962 - 74 Dunn County Jury Commissioner - appointed.

1965 - 74 Agency 5 School Committee, Chairman 1971 - 74. Appointed.

1974 - 78 Representative, Wisconsin State Legislature, Elected

1979 - 80 Labor and Industry Review Commissoner, State of Wisconsin, - Appointed.

1/81 -11/81 Agricultural Policy Advisor and District Office Director, Congressman Steve Gunderson, Wisconsin Third District, - Appointed

11/81 - 1/86 Secretary, Wisconsin Department of Agriculture, Trade, and Consumer Protection, - Appointed

5/86 - 3/87 Director, Intergovernmental Affairs, Office of Government and Public Affairs, U.S.D.A., - Appointed

4/87 - 4/89 Deputy Under Secretary, Small Community and Rural Development, U.S.D.A., - Appointed.

4/89 - 12/89 Consultant, Farmers Home Administraion, U.S.D.A. Appointed.

9. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

1952- W.G.Skelly Superior Achievement in Agriculture Award

1965- Outstanding Young Farmer Award by the Menomonie Junior Chamber of Commerce

1979- Honorary State F.F.A. Degree

1982- Tri-State Breeders Coop.- Honoree of the Year

9. Honors and Awards Continued.

1984- Outstanding 4-H Alumni-Wisconsin 4-H Clubs.

1986- F.F.A. Blue and Gold Award.

1986- Service to Agriculture, University of Wisconsin Farm and Industry Short Course Alumni.

1986- Distinguished Agriculturist Award, University of Wisconsin, River Falls.

1987- Distinguished Service to Agriculture-Wisconsin Farm Bureau.

1987- Distinguished Service to Conservation, Wisconsin Chapter, Soil Conservation Society of America.

1988- Distinguished Service Member- Alpha Gamma Rho Fraternity

10. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Farm Bureau
Republican Party of Wisconsin
Wisconsin Master Farmers Association
Soil and Water Conservation Society
Dairy Shrine Club
Alpha Gamma Rho
Midwest Institute of Scandinavian Culture

11. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

I do not have any published papers. Attached are copies of unpublished speeches I made from a prepared text. Many speeches were made from notes which were not retained.

12. Health: What is the present state of your health?

Excellent.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

   No. I will continue to hold stock in Melody Pines Farm Inc. and be an officer.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

   2a. Rent on two duplexes in Elk Mound, Wi. currently renting for $1051. per month. (All four units)
   Rent of farm land for $1800. per year.

   2b. Interest from Melody Pines Farm Inc. on a debenture I hold. Face Value is $175,000. at 7.5% interest.

   2c. Wisconsin Retirement Syatem- State of Wisconsin. Cash Value of $56,000. No direct income until I retire. I will share in the growth.

   2d. Melody Pines Farm Inc. I do not receive any compensation (Earned Income) but could receive a dividend and could benefit from capital gains.

   2e. I hold a second mortgage on a house in Eau Claire, Wi. as the result of the settlement of a previous business relationship. Currently not paying any interest and of uncertain value.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   I am a shareholder with my wife (Beverly), son (John), and daughter-in-law (Mary), in Melody Pines Farm Inc.

   Location: Dunn County Wisconsin, Towns of Elk Mound and Springbrook.
   Size: 1000 acres
   Type of Operation: Dairy (150 Milk Cows)
   Dairy Beef
   Principal crops are corn and alfalfa.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans recieved or forfeited by crop and farm, etc. during the past five years.)

   Yes. Figures cover Melody Pines Farm Inc. fiscal year, March 1 to February 29 for each year.

Financial Data etc. continued:

4. No loans were forfeited in any of the years reported.

Year 84-85		
84	Dairy diversion payment	$15614.00
85	Dairy diversion payment	1314.00
85	Corn loan	$18,262.00
82	Corn storage payment	1,062.00
85	Corn deficiency payment	8,378.00
Year 85-86		
85	Dairy diversion payment	$ 3,107.00
84	Corn deficiency payment	$13,553.00
Year 86-87		
86	PIK Certificate Corn deficiency payment	$19,333.00
85	Corn deficiency payment, cash	$ 8,499.00
86	Corn deficiency payment, cash	12,156.00
87	Corn deficiency payment, cash advance	9,939.00
83	Corn storage payment, cash	2,157.00
84	Corn storage payment, cash	2,157.00
85	Corn storage payment, cash	3,833.00
86	Corn loan	74,461.00
Year 87-88		
86	PIK Certificate Corn deficiency payment	$11,829.00
85	Corn storage payment	2,157.00
87	Corn loan	54,765.00
87	Corn deficiency payment, cash	10,974.00
Year 88-89		
87	PIK Certificates Corn deficiency payment	$14,410.00
87	Corn deficiency payment, cash	6,336.00
88	PIK Certificates Corn deficiency payment	7,546.00
88	Corn deficiency payment, cash	7,546.00
88	PIK Certificate Corn diversion payment	8,148.00
88	Drought payment	19,904.00
89	Corn deficiency payment	16,577.00

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Farmers Home Administration? (If yes, give details of any such loan activity during the past five years.)

No.

Financial Data Etc. Continued:

6. Have you, or any partnership or closely held corporation in Which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

   No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

   I will continue to be a shareholder and officer in Melody Pines Farm Inc. without compensation.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

   Only to return to the farm.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

   No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

    Melody Pines Farm Inc. is a shareholder in the Farm Credit Services and a borrower. I will remove myself from any activities of the Farmers Home Administration involving the St Paul District of the Farm Credit System and will file a letter to that effect if confirmed.

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

    No.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

    The only potential conflict I could foresee, would be any benefit Melody Pines Farm Inc. would receive indirectly from the Farm Credit Services (FCS) if FCS was to benefit from a business relationship with FmHA, such as the guaranteed loan program. This would be very indirect because Melody Pines Farm Inc. would not be a principal.
    I will remove myself from any activities involving FmHA and FCS, St Paul District, and will file a letter to that effect if confirmed. Because our contact with FCS districts and borrowers is at the state level, this should create no operational problems.

United States
Office of Government Ethics
Suite 500, 1201 New York Avenue, N.W.
Washington, D.C. 20005-3919

January 19, 1990

The Honorable Patrick J. Leahy
Chairman
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Mr. La Verne G. Ausman, who has been nominated by President Bush for the position of Administrator of the Farmers Home Administration of the Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties. As noted in the enclosed letter, Mr. Ausman has agreed that upon confirmation he will resign from the positions of President and Director of Melody Pines Farm, Inc., will receive no income from the corporation and will avoid active involvement in the management and operation of the farm enterprise. He has also agreed to recuse himself from any matter involving the Federal Land Bank of Menomonie, Wisconsin. And last, the Secretary of Agriculture has agreed to issue an 18 U.S.C. 208(b) waiver in the matter of Mr. Ausman's financial interest in the State of Wisconsin.

Based thereon, we believe that Mr. Ausman is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Donald E. Campbell

Donald E. Campbell
Acting Director

Enclosure

United States Department of Agriculture
Farmers Home Administration
Washington D.C. 20250

January 12, 1990

Donald E. Campbell, Esq.
Acting Director
Office of Government Ethics
Suite 500
1201 New York Avenue, N.W.
Washington, D.C. 20005

Dear Mr. Campbell:

The purpose of this letter is to detail the steps which I intend to take in order to assure that no actual or apparent conflict of interest will arise between my personal financial interests and the duties I will perform if confirmed to serve as Administrator of the Farmers Home Administration (FmHA), an agency of the U.S. Department of Agriculture.

I have served since April 1989 as a Consultant to FmHA. Prior thereto, I served from April 1987 until April 1989 as Deputy Under Secretary for Small Community and Rural Development; from May 1986 until March 1987 as Director of Intergovernmental Affairs for the Department of Agriculture; and from November 1981 until January 1986 as Secretary of the Department of Agriculture, Trade, and Consumer Protection for the State of Wisconsin.

I also hold a stock ownership interest in Melody Pines Farm, Inc., a family-owned dairy farm located in Elk Mound, Wisconsin, and serve as President and Director of the farm corporation. The farm participates in feed grain and other programs administered by the Agricultural Stabilization and Conservation Service, and receives technical assistance and services from the Soil Conservation Service -- both agencies of this Department. Since I will have no responsibility for the programs and activities of those agencies in my role as Administrator of FmHA, I believe it unnecessary to make any change in the ownership structure or the operations of my family's farming enterprise. I pledge, however, that I will resign from my positions as President and Director of Melody Pines Farm, Inc., that I will receive no income from the corporation, and that I will avoid active involvement in the management and operation of the farm enterprise, during my tenure as Administrator of FmHA. Neither the farm corporation nor I personally have any outstanding loans from FmHA,

FmHA Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

and I also pledge that no such loans or other FmHA assistance will be sought or received by the farm enterprise during my tenure as Administrator.

Melody Pines Farm, Inc., also holds both an outstanding loan from and a stock ownership interest in Farm Credit Services Federal Land Bank of Menomonie, Wisconsin (FCS-Menomonie), a member institution of the Farm Credit System. While neither the loan nor the ownership interest is held in my name, I believe it necessary to recuse myself from involvement in any particular matter which may arise within the Department involving or affecting FCS-Menomonie. This recusal will leave me free to participate as may be required with respect to policy matters involving the Farm Credit Administration or the Farm Credit System generally, and with respect to particular matters involving other member institutions of that System, but will assure that no actual or apparent conflict of interest will arise as a result of my farm's loan from and stock interest in FCS-Menomonie. In the event that any matters arise within the Department and are brought to my attention concerning FCS-Menomonie, I will direct that they be handled by other officials of FmHA without my knowledge or participation, or that they be referred for disposition by the Under Secretary for Small Community and Rural Development.

As a result of my earlier service in several government positions in the State of Wisconsin, I have a financial interest in the Wisconsin Retirement Fund. My interest in the Fund is fully vested and defined, and the Fund's assets are invested in a widely diversified portfolio of stocks, bonds, and other liquid assets. Since some of FmHA's rural development and other programs in Wisconsin may be undertaken jointly with the State of Wisconsin, I wish to take steps to assure that I may be involved in the policy development and implementation of such efforts while also avoiding any actual or apparent conflict of interest as a result of my interest in the Wisconsin Retirement Fund. In these circumstances, the Secretary of Agriculture has agreed upon my confirmation and appointment as Administrator of FmHA, to issue me a waiver under the provisions of 18 U.S.C. 208(b), on the basis of his conclusion that my continuing financial interest in the State of Wisconsin is not so substantial as to be deemed likely to affect the integrity of the services which I will perform as Administrator of FmHA.

I believe that the steps identified above will assure that no actual or apparent conflict of interest will arise between my personal financial interests and the duties I will perform if confirmed to serve as Administrator of the Farmers Home Administration.

Sincerely,

La Verne G. Ausman

SF 278 (Rev. 1/87)
FPG Chapter 736
U.S. Office of Personnel Management

Financial Disclosure Report

Form Approved
OMB No. 3209-0002

Reporting Status (Check Appropriate Box)			Agency Use Only	OGE Use Only	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
[X] Incumbent	[X] New Entrant, Nominee, or Candidate	[ ] Termination Filer		JAN 12 1990	11/14/89	

Reporting Individual's Name	Last Name: Ausman	First Name and Middle Initial: La Verne G.
Position for Which Filing	Title of Position: Administrator	Department or Agency (If Applicable): Farmers Home Administration U. S. Dept of Agriculture
Location of Present Office	Address (Number, Street, City, State and ZIP Code): 14th and Independence Ave. SW Washington D. C. 20250	Telephone No. (Include Area Code): 202-447-3213 202-447-7967
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Dep. Under Secretary, Small Community & Rural Development, U.S.D.A. Consultant, Farmers Home Administration, U.S.D.A.	
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Committee on Agriculture, Nutrition and Forestry	Do You Intend to Create a Qualified Diversified Trust? [ ] Yes [X] No

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	LaVerne G. Ausman	Oct. 10, 1989
Other Review (If desired by agency)	Signature of Other Reviewer	Date (Month, Day, Year)
Agency Ethics Official's Opinion	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year)
The information contained in this report discloses no conflict of interest under applicable laws and regulations.	William J. Riley	January 12, 1990
Office of Government Ethics Use Only	Signature: Donald E. Campbell	Date (Month, Day, Year): 1/19/90

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

(Check box if comments are continued on the reverse side) [ ]

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A (except for BLOCK D), C, and D. (Candidates do not file Part II of Schedule D.

- **Schedule A**—The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I** (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II** (Agreements and Arrangements)—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

SF 278 (Rev. 1-92)
Part Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number		Schedule
Ausman, La Verne G.			2	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources		BLOCK B Valuation of Assets							BLOCK C Income													BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐		Category of Value (X)							Type of Income (X)							Category of Amount of Income (X)									If yes, complete Schd. B Part I for those assets including those sold for a loss.	
		None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000		Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
S or DC	Exam-ples: X Y Z Common			X					X									X						—		X	
	Doe Jones & Smith, Hometown, USA		X												ptnrship income									$50,000			
1	Valley Bank (S) IRA Madison, Wi.		X								X						X										
2	Valley Bank IRA Madison, Wi.			X							X						X										
3	First Virginia Bank Oakton, Va. Checking Acct.		X								X						X										
4	Wis. Dairies Co-op Baraboo, Wi. Patronage Stock		X						X							X											
5	P. Robert Davis Mortgage House Eau Claire, Wi.				X						X					X											
6	Farm Land Elk Mound, Wi.				X					X									X									
7	Lutheran BrotherhoodIns. Minneapolis, Mn.		X						X								X										
8	Rural Mutual Insurance Madison, Wi.			X					X								X										
9	Geo. Mason Bank Fairfax, Va. Money Market Fund			X							X						X										
10	Riggs National Bank Fairfax, Va. C.D.			X							X						X										

PREVIOUS EDITION USABLE

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Office of Government Ethics
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name	Assets and Income	Page Number	3	Schedule A
Ausman La Verne G.				

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income																				BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)													If yes, complete Schd. B Part I for those assets including those sold for a loss.	
	None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
S or DC Examples: XYZ Common			X				X						ptnrshp income			X						— $50,000		X	
Doe Jones & Smith, Hometown, USA		X																X								
1 Waller Duplex Elk Mound, Wi. 54739				X				X																		
2 Sam's Duplex Elk Mound, Wi. 54739			X					X									X									
3 Northern States Power Co. Mpls. Mn. Common Stock			X				X								X											
4 Melody Pines Farm Inc. Elk Mound, Wi. Common Stock						X			X					X												
5 IDS Discovery Fund Mpls. Mn. Mutual Fund	X						X								X											
6 Melody Pines Farm Inc. Elk Mound, Wi. Debenture					X				X									X								
7 L.B. Municipal Bond Fund Mpls. Mn.		X							X						X											
8 Lutheran Brotherhood High Yield Fund, Mpls. Mn. IRA	X								X						X											
9 Lutheran Brotherhood High Yield Fund, Mpls. Mn. IRA	X								X						X											
10 U. S.Savings Bonds	X																									

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FPM Chapter 734
U.S. Office of Personnel Management

Form Approved
OMB No. 3209-0002

Reporting Individual's Name: Ausman La Verne G.

Assets and Income

Page Number: 4 | Schedule A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 received from the assets and other sources of income listed in BLOCK A. You must report the **actual amount** of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Incumbents and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets								BLOCK C Income																		BLOCK D Transactions Test	
Identify each asset and income source of yours, your spouse(S) and your dependent child (DC). NONE ☐	Category of Value (X)								Type of Income (X)							Category of Amount of Income (X)											If yes, complete Schd. B Part I for those assets including those sold for a loss.	
S or DC / Examples: X Y Z Common; Doe Jones & Smith, Hometown, USA	None (or less than $1001)	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Trust	Other (Specify Type)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	YES	NO
Examples: X Y Z Common			X					X									X						—		X	
Doe Jones & Smith, Hometown, USA				X																							
1 Rural Mutual Insurance Madison Wi. (Keogh)		X						X						ptnrshp income									$50,000			
2 Wisconsin Retirement System Madison Wi.					X			X							X												
3 Managed-Dept. of Employee Trust Funds																	X										
4																											
5																											
6																											
7																											
8																											
9																											
10																											

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PPM Chapter 734
U.S. Office of Personnel Management

Reporting Individual's Name
Ausman La Verne G.

Page Number 5

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE [X]

S or DC	Identification of Assets	Type of Transaction (X)				Amount of Transaction (X)					
		Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000
Example:	X Y Z Common	X			2/1/83			X			
1	Disposition of Dale Waller Note reported on last filing as an incumbent										
2											
3											
4											
5											
6											

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE [X]

S	Source (Name and Address)	Brief Description	Value
Example:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$500
Example:	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1			
2			
3			
4			
5			
6			

SF 278 (Rev. 1/87)
Part Chapter 734
U.S. Office of Personnel Management

Reporting Individual's Name
Ausman La Verne.G.

Page Number 5

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☐

	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (X) $10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	Over $250,000
S or DC	Examples: First District Bank, Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	12%	25 yrs.			X		
S or DC	Examples: John Jones, 123 J St., Washington, DC	Promissory note	1979	10%	on demand	X				
1	First Federal Savings and Loan, Eau Claire Wi. 54702	Mortgage on Sams Duplex and farmland in Elk Mound wi.	1964	11.4	ARM 30		X			
2	Farm Credit Services FLB Menomonie Wi. 54751	Mortgage on farm property Melody Pines Farm Inc.	1981	10.6	30					X
3										
4										
5										
6										

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example:	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/78 Partnership agmnt.
	Pursuant to State of Wisconsin Employee agreements I retain an interest in the Wisconsin Retirement Fund. This is reported under assets.	Wisconsin Retirement Fund, Madison, Wi.	

SF 278 (Rev. 1/87)
(7FM) Chapter 734
U.S. Office of Personnel Management

Reporting Individual's Name
Ausman La Verne G.

Page Number 7

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution.

Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples: Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
Examples: Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/75	11/83
Melody Pines Farm Inc. Elk Mound, Wi. 54739	General Dairy Farm	President & Director	3/75	Present
		Secretary, Wife Beverly	2/87	Present

Part II
Compensation In Excess Of $5000
Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☒

Source (Name and Address)	Brief Description of Duties
Examples: Doe Jones & Smith, Hometown, USA	Legal services
Examples: Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction

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United States Department of Agriculture
Farmers Home Administration
Washington D.C. 20250

February 23, 1990

Honorable Patrick J. Leahy
Chairman
Committee on Agriculture,
Nutrition, and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On January 12, 1990, a copy of my SF 278, Financial Disclosure Report, required in connection with my nomination to serve as Administrator of the Farmers Home Administration, was submitted to the Office of Government Ethics. That report contained all required financial information for calendar year 1988, and for calendar year 1989 through October 10, 1989.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF 278, i.e., that required by section 202(a)(1)(A) of the Act, respecting income (other than dividends, interest, rents, and capital gains) and honoraria, to a date which occurs five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is presently scheduled for Wednesday, February 28, 1990. The purpose of this letter is to report that, as of February 23, 1990, I have received no income or honoraria in addition to those categories and amounts of income shown on my Financial Disclosure Report as dated and signed on October 10, 1989.

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,

La Verne G. Ausman

FmHA Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

August 21, 1989

DECISION MEMORANDUM FOR THE SECRETARY

FROM: Alan Charles Raul
General Counsel

Jonathan Kislak, Deputy Under Secretary
for Small Community and Rural Development

SUBJECT: The Secretary's Primary Representative on Farm Credit System Assistance Board Matters

ISSUE:

The need for a primary representative of the Secretary to deal with policy and financial issues that occur at the working level with members of the Assistance Board staff and to coordinate the work of USDA staff.

BACKGROUND:

The staff of the Assistance Board develops detailed data and analysis to explain policy options to the members of the Board for decision, and implements decisions on a day-to-day basis. This staff work includes coverage of the financial condition of troubled Farm Credit System institutions, and assessment of the legal implications of proposed actions. Frequent presentations are made to representatives of the members of the Board.

USDA staffing in support of the Secretary's position as Chairman has been diffuse and uncoordinated. Responsibility is unassigned and unclear.

OPTIONS:

Designate either the Deputy Under Secretary for Small Community and Rural Development or the General Counsel as your primary representative. Assign him the responsibility to coordinate USDA activities in support of your position on the Board.

RECOMMENDATION:

We concur in recommending that the Deputy Under Secretary be selected as your primary representative. He should be the individual responsible to you for liaison with the staff of the Board. The General Counsel and designated members of his staff should be active participants in assisting the Deputy Under Secretary and members of the Assistance Board staff in evaluating the legal aspects of the Board's work.

DECISION BY THE SECRETARY:

Approve _____ Date 8/21/89

Disapprove _____

Discuss with me _____

Senator CONRAD. All right. We will adjourn this hearing, and just for the information of the witness, we will attempt to expedite this as rapidly as possible.

[Whereupon, at 4:50 p.m., the committee adjourned subject to the call of the Chair.]

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